



# House of Representatives

General Assembly

**File No. 450**

*January Session, 2017*

House Bill No. 6304

*House of Representatives, April 6, 2017*

The Committee on Energy and Technology reported through REP. REED of the 102nd Dist., Chairperson of the Committee on the part of the House, that the bill ought to pass.

## ***AN ACT REQUIRING A STUDY OF THE VIABILITY OF NEW DISTRICT HEATING NETWORKS IN THE STATE.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1       Section 1. (NEW) (*Effective July 1, 2017*) (a) The Commissioner of the  
2       Department of Energy and Environmental Protection shall conduct a  
3       study regarding the viability of new district heating networks in the  
4       state.

5       (b) The study conducted pursuant to subsection (a) of this section  
6       shall include, but not be limited to, recommendations for financing  
7       new district heating networks in the state.

8       (c) Not later than July 1, 2018, the Commissioner of the Department  
9       of Energy and Environmental Protection, in accordance with section  
10      11-4a of the general statutes, shall report the results of the study  
11      conducted pursuant to subsection (a) of this section to the joint  
12      standing committee of the General Assembly having cognizance of  
13      matters relating to energy and technology.

14 Sec. 2. Subsection (a) of section 16a-3d of the general statutes is  
15 repealed and the following is substituted in lieu thereof (*Effective*  
16 *October 1, 2017*):

17 (a) On or before October 1, 2016, and every three years thereafter,  
18 the Commissioner of Energy and Environmental Protection shall  
19 prepare a Comprehensive Energy Strategy. Said strategy shall reflect  
20 the legislative findings and policy stated in section 16a-35k and shall  
21 incorporate (1) an assessment and plan for all energy needs in the  
22 state, including, but not limited to, electricity, heating, cooling, and  
23 transportation, (2) the findings of the Integrated Resources Plan, (3) the  
24 findings of the plan for energy efficiency adopted pursuant to section  
25 16-245m, (4) the findings of the plan for renewable energy adopted  
26 pursuant to section 16-245n, and (5) the Energy Assurance Plan  
27 developed for the state of Connecticut pursuant to the American  
28 Recovery and Reinvestment Act of 2009, P.L. 111-5, or any successor  
29 Energy Assurance Plan developed within a reasonable time prior to  
30 the preparation of any Comprehensive Energy Strategy. Said strategy  
31 shall further include, but not be limited to, (A) an assessment of  
32 current energy supplies, demand and costs, (B) identification and  
33 evaluation of the factors likely to affect future energy supplies,  
34 demand and costs, (C) a statement of progress made toward achieving  
35 the goals and milestones set in the preceding Comprehensive Energy  
36 Strategy, (D) a statement of energy policies and long-range energy  
37 planning objectives and strategies appropriate to achieve, among other  
38 things, a sound economy, the least-cost mix of energy supply sources  
39 and measures that reduce demand for energy, giving due regard to  
40 such factors as consumer price impacts, security and diversity of fuel  
41 supplies and energy generating methods, protection of public health  
42 and safety, environmental goals and standards, conservation of energy  
43 and energy resources and the ability of the state to compete  
44 economically, (E) recommendations for administrative and legislative  
45 actions to implement such policies, objectives and strategies, (F) an  
46 assessment of the potential costs savings and benefits to ratepayers,  
47 including, but not limited to, carbon dioxide emissions reductions or  
48 voluntary joint ventures to repower some or all of the state's coal-fired

49 and oil-fired generation facilities built before 1990, [and] (G) the  
50 benefits, costs, obstacles and solutions related to the expansion and use  
51 and availability of natural gas in Connecticut, and (H) beginning with  
52 the strategy to be prepared on or before October 1, 2019, and strategies  
53 prepared thereafter, a study of the viability of new district heating  
54 networks in the state including, but not limited to, recommendations  
55 for financing such district heating networks. If the department finds  
56 that [such] expansion of the use of natural gas is in the public interest,  
57 it shall develop a plan to increase the use and availability of natural  
58 gas.

This act shall take effect as follows and shall amend the following sections:

Section 1	<i>July 1, 2017</i>	New section
Sec. 2	<i>October 1, 2017</i>	16a-3d(a)

**ET**            *Joint Favorable*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

### ***OFA Fiscal Note***

#### ***State Impact:***

<b>Agency Affected</b>	<b>Fund-Effect</b>	<b>FY 18 \$</b>	<b>FY 19 \$</b>
Department of Energy and Environmental Protection	CC&PUCF - Cost	30,000	None

Note: CC&PUCF=Consumer Counsel and Public Utility Control Fund

***Municipal Impact:*** None

#### ***Explanation***

The bill requires the Department of Energy and Environmental Protection (DEEP) to conduct a study on the viability of new district heating networks, including recommendations for their financing.

The bill results in a one-time cost estimated to be \$30,000 in FY 18, as it is estimated that DEEP will need to hire an outside consultant to compete this study.

#### ***The Out Years***

There are no ongoing costs, as DEEP must report the study's results to the Energy and Technology Committee by July 1, 2018.

**OLR Bill Analysis****HB 6304*****AN ACT REQUIRING A STUDY OF THE VIABILITY OF NEW DISTRICT HEATING NETWORKS IN THE STATE.*****SUMMARY**

This bill requires the energy and environmental protection commissioner to study the viability of new district heating networks in the state, including recommendations for financing them. In general, a district heating network is a network of pipes that carries thermal energy from a central facility (e.g., waste heat from an electric generation facility) to other client buildings. The commissioner must report the study's results to the Energy and Technology Committee by July 1, 2018.

The bill also requires future Comprehensive Energy Strategies (CES) to include studies on the viability of new district heating networks in the state, including recommendations for financing them. The law requires the commissioner to prepare a CES every three years, with the most recent one due by October 1, 2016. (The 2016 CES has not yet been completed). The bill's requirement applies beginning with the CES due by October 1, 2019.

EFFECTIVE DATE: July 1, 2017, except the requirement regarding the CES is effective October 1, 2017.

**BACKGROUND*****Related Bill***

HB 7012, reported favorably by the Energy and Technology Committee, requires the CES to assess the state's progress in reducing energy costs relative to the other New England states, New York, and New Jersey.

**COMMITTEE ACTION**

Energy and Technology Committee

Joint Favorable

Yea    24    Nay   0    (03/21/2017)